



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DD/A Registry

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DEC 19 1977

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

Subject: Proposed Real Property Assignment Circular

Attached for your review and comment is a proposed Office of Management and Budget Circular containing policies for controlling the assignment of Federal real property to non-Federal activities.

Policies contained in the proposed circular provide guidance for assigning Federal real property to the following categories of non-Federal users:

1. Activities that provide services to Federal employees such as cafeterias, employee recreation associations, credit unions, blind stands, and child day care centers.
2. General commercial organizations, e.g., banks, retail stores, and Government contractors.
3. Service and non-profit organizations, e.g., veterans service organizations, State and local governments and national voluntary action programs.

The practices followed by agencies in assigning Federal real property (generally office space) to the above users vary greatly. Some agencies require non-Federal occupants to pay rent while other agencies provide free space. In some instances agencies subsidize day care centers, shopping and other services for their employees while neighboring agencies refrain from such activities. In essence, each agency is making its own policy, and serious conflicts and inconsistencies have developed.

The proposed circular will standardize non-Federal space assignment practices among all agencies. The circular basically requires non-Federal activities that are not exempt by specific statute, to pay equivalent commercial rents for the use of Federal space. Exceptions to the paying policy are permitted only under specific circumstances. Such exceptions have been kept to a minimum in line with the President's goal to balance the budget and improve the efficiency and effectiveness of Government administration.

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Your cooperation in providing any comments you have on the proposed Circular by February 20, 1978 will be appreciated. Questions regarding the Circular may be directed to Mr. Charles W. Clark, Office of Federal Procurement Policy, Office of Management and Budget at 395-6194.


James T. McIntyre
Acting Director

Attachment

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